

Kentucky Agricultural Finance Corporation

Minutes of the October 5, 2007 Meeting

The meeting of the Kentucky Agricultural Finance Corporation Board was held on Friday, October 5, 2007 at 10:00 AM EDT at the Transportation Cabinet Building in Frankfort, Kentucky. Mark Farrow, presiding, called the meeting to order. Mr. Farrow then asked Nicole Ray, Secretary, to call the roll.

Roll Call

Members Present

Commissioner Farmer (Mark Farrow, designee), Bob Gaslin, Wayne Hunt, Billy Joe Miles, Charles Miller, Frank Penn, Bob Proffitt, James Reams, Annette Walters

Members Absent

Secretary Burnside, Larry Jagers, Doug Lawson

Others Present

Staff –Tim Hughes, Bill McCloskey, Tracey Mulder, Nicole Ray, Keith L. Rogers

Guests – Michael Duckworth, Citizens Commerce; Beatrice Caulier-Eimbcke and Michael Kolpin; John Gossage, First National Bank; Brent Brockman

Notification of Press

Keith Rogers stated that the media had been notified.

Review and Approval of Minutes

A motion to approve the September 7, 2007 minutes was made by Mr. Hunt, seconded by Mr. Proffitt. The motion passed without dissent.

Executive Director's Report

Mr. Rogers introduced Tracey Mulder as the new Financial Records Specialist for KAFC. Mr. Rogers notified the Board of a schedule of meetings to be held by Alltech in their update folders (On file with Board Secretary).

Mr. Rogers updated the Board on the dates of the public forums for the Task Force for the Future of Agriculture and encouraged them to attend. He called the attention of the Board to the Summary of Ballots document which shows the Task Force's ranking of key action items (On file with Board Secretary).

Mr. Rogers notified the Board of steps taken to address the drought and called their attention to the Drought Assistance and Drought Education documents in their update folders (On file with Board Secretary).

Mr. Roger notified the Board that the next meeting date is Friday, November 2, 2007 in Frankfort. The December 7, 2007 meeting will be held in Louisville in conjunction with the Kentucky Farm Bureau convention.

Director of Financial Services Report

Bill McCloskey called the attention of the Board to the financial status reports provided to them and reviewed the status of KAFC funds and loan activity (On file with Board Secretary).

New Business

Agricultural Infrastructure Loan Program - Discussion and Action

AF07-0075 Bellamy, Mike & Mary – Applicants request \$55,000 for construction of a 348' x 56' tobacco barn in Barren County. South Central Bank is the participating lender. Due to costs incurred prior to receipt of this application by KAFC, staff recommends loan approval of \$30,675. **Mr. Penn moved to approve the staff recommendation. Mr. Miller seconded the motion. The motion passed without dissent.**

AF07-0084 Stone, Marvin & Cheryl – Applicants request \$45,000 for construction of a 60' x 120' stripping/storage barn and a 40' x 220' tobacco barn in Daviess County. Farm Credit Services is the participating lender. Staff recommends loan approval. **Mr. Hunt moved to approve the staff recommendation. Ms. Walters seconded the motion. The motion passed without dissent.**

AF07-0090 Cash Farms, Eugene & Suzanne Cash – Applicants request \$100,000 for construction of 90,000 bushel and 140,000 bushel grain bins in Graves County. This request replaces two previously approved requests AF06-0059 and AF07-0011, as the applicants are making changes in their business arrangement and are restructuring their finances. Jackson Purchase Agricultural Credit Association is the participating lender. Staff recommends loan approval for AF07-0090 and to simultaneously terminate loans AF06-0059 and AF07-0011 upon the funding of AF07-0090. **Mr. Hunt moved to approve the staff recommendation. Mr. Penn seconded the motion. The motion passed without dissent.**

AF07-0091 Pritchett, Steven & Leanne – Applicants request \$100,000 for construction of a 72' x 138' building for mice production in Henderson County. Farm Credit Services is the participating lender. Staff recommends loan approval. **Ms. Walters moved to approve the staff recommendation. Mr. Reams seconded the motion. The motion passed without dissent.**

AF07-0093 Huber, Paul & Lindy – Applicants request \$98,000 for construction of a 40' x 80' barn for boarding and breeding alpacas in Woodford County. Citizens Commerce National Bank is the participating lender. Staff recommends loan approval. **Mr. Penn moved to approve the staff recommendation. Mr. Gaslin seconded the motion. The motion passed without dissent.**

Beginning Farmer Loan Program – Discussion and Action

AF07-0064 Leonard, Cody – Applicant requests \$90,500 for the purchase of 120 acres in Graves County. Jackson Purchase Agricultural Credit Association is the participating lender. Staff recommends loan approval. **Mr. Hunt moved to approve the**

staff recommendation. Ms. Walters seconded the motion. The motion passed without dissent.

AF07-0092 Sisk, Joseph & Lisa – Applicants request \$67,000 for the purchase of a 24.5 acre farm with improvements in Christian County. Planters Bank, Inc. is the participating lender. Staff recommends loan approval. **Mr. Gaslin moved to approve the staff recommendation. Mr. Hunt seconded the motion. The motion passed without dissent.**

AF07-0094 Caulier-Eimbcke, Beatrice and Michael Kolpin – Applicants request \$100,000 for the purchase of a 172 acre farm in Mercer County. Citizens Commerce National Bank is the participating lender. Staff recommends loan approval. **Mr. Penn moved to approve the staff recommendation. Mr. Gaslin seconded the motion. The motion passed without dissent.**

AF07-0095 Brockman, Brent – Applicant requests \$100,000 for the purchase of a 175 acre farm at auction. First National Bank is the participating lender. Staff recommends that the application be approved contingent upon the KAFC Executive Director's acceptance of a formal 5-year business plan from the applicant. **Ms. Walters moved to approve the staff recommendation. Mr. Miller seconded the motion. The motion passed without dissent.**

Old Business

AF06-0049 Jones, John Stewart – Loan officer is requesting a second 90-day extension on the expiration date due to construction delays. Staff recommends extension.

AF06-0071 Settles, Jeffery & Charlotte – Loan officer is requesting a 90-day extension on the expiration date due to the death of Mr. Settles. Mrs. Settles wishes to continue with the project but will need additional time to handle the estate closing. Staff recommends extension.

Ms. Walters moved to approve the staff recommendations for AF06-0049 and AF07-0071. Mr. Penn seconded the motion. The motion passed without dissent.

Other Business

AF06-0052 Greathouse, Edward B. – Application was previously approved for \$50,000 but has been withdrawn per the lender, Shane Turner.

AF07-0025 Bertram, Brad & Tracey – Application was approved for \$50,000 but has been withdrawn per the lender, Shelly Barron.

Closing Remarks

The motion to adjourn was made by Mr. Hunt, seconded by Mr. Proffitt.

The motion passed without dissent. The meeting adjourned at 12:09 pm EDT.

APPROVED: _____

PRESIDING OFFICER: _____

SECRETARY: _____